

STATE UNEMPLOYMENT INSURANCE TRUST FUNDS

Unemployment rates remain high, many unemployed long-term.

- ▶ 2009 ended with an annual average national unemployment rate of 9.3 percent after hitting a 26-year high of 10.2 percent in October 2009.
- ▶ Approximately 5 million people—or one-third of all those unemployed—are considered long-term unemployed, defined by economists as those who have been without work for 27 weeks or more.
- ▶ Unemployment rates in December 2009 ranged from a low of 4.4 percent in North Dakota to a high of 14.6 percent in Michigan.
- ▶ All states reported an increase in their jobless rate from December 2008 to December 2009. Alabama, Florida, Michigan and Nevada reported the largest increases over 2008 while Nebraska and North Dakota reported the smallest increases.



Unemployment insurance benefits extended.

- ▶ Over the past year, Congress expanded federal unemployment benefits, extending the amount of time an individual can receive benefits significantly, while the American Recovery and Reinvestment Act added an extra \$25 per week to all unemployment checks through June 30, 2010.
- ▶ In November 2009, Congress extended federal jobless benefits by an additional 14 weeks for those Americans who exhaust their benefits by the end of 2009, while those living in high unemployment states (rates of 8.5 percent or higher) can possibly receive another 20 weeks of benefits. In December 2009, President Obama signed a bill that extended the benefit through Feb. 28, 2010.
- ▶ According to *The Wall Street Journal*, individuals in some states can possibly receive benefits for up to 99 weeks—the most benefits provided in history—based on the state's unemployment rate and benefit structure.
- ▶ Even with these extensions, however, workers are, on average, unemployed for longer periods of time and are running out of benefits. Before the most recent federal benefit extension, more than 2 million Americans had already exhausted their unemployment benefits as of September 2009.

Dire unemployment situation has state unemployment insurance trust funds on shaky ground.

- ▶ Twenty-six states plus the U.S. Virgin Islands were forced to borrow money from the Federal Unemployment Account to help pay increasing claims for unemployment insurance benefits, with outstanding loans now totaling more than \$30 billion at the end of January 2010.
- ▶ The U.S. Department of Labor estimates by 2011, at least 40 states will need to borrow money to fund their unemployment programs.
- ▶ The American Recovery Act included a provision that delays interest from accruing on those loans until 2011. Interest on borrowed funds cannot be paid back using unemployment insurance revenues.
- ▶ With unemployment rates at or near record highs, states are facing difficult decisions in 2010. A recent survey by the National Association of State Workforce Agencies shows that a majority of states—35—increased taxes on employers in 2010 and seven states enacted legislation to raise the taxable wage base on employers for unemployment taxes.

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State	Unemployment Rate ¹	Average Weekly Benefit Amount ²	Borrowed Funds ³
Alabama	11.0	\$208.26	\$203,009,406
Alaska	8.8	\$242.33	*
Arizona	9.1	\$218.78	*
Arkansas	7.7	\$282.04	\$278,833,917
California	12.4	\$317.59	\$7,254,120,098
Colorado	7.5	\$364.83	\$63,049,000
Connecticut	8.9	\$337.10	\$295,261,478
Delaware	9.0	\$258.80	*
District of Columbia	12.1	\$305.36	*
Florida	11.8	\$236.39	\$1,239,100,000
Georgia	10.3	\$283.38	\$215,000,000
Hawaii	6.9	\$422.08	*
Idaho	9.1	\$270.85	\$143,264,625
Illinois	11.1	\$322.89	\$1,642,044,464
Indiana	9.9	\$305.74	\$1,652,994,686
Iowa	6.6	\$317.65	*
Kansas	6.6	\$360.89	*
Kentucky	10.7	\$308.01	\$671,100,000
Louisiana	7.5	\$233.20	*
Maine	8.3	\$285.96	*
Maryland	7.5	\$309.27	*
Massachusetts	9.4	\$423.25	\$41,864,979
Michigan	14.6	\$310.60	\$3,495,782,333
Minnesota	7.4	\$393.70	\$440,905,559
Mississippi	10.6	\$193.78	*
Missouri	9.6	\$255.23	\$578,139,065
Montana	6.7	\$280.05	*
Nebraska	4.7	\$248.01	*
Nevada	13.0	\$319.47	\$220,827,694
New Hampshire	7.0	\$287.48	*
New Jersey	10.1	\$389.05	\$1,209,701,783
New Mexico	8.3	\$302.01	*
New York	9.0	\$313.83	\$2,524,304,336
North Carolina	11.2	\$310.95	\$1,864,882,998
North Dakota	4.4	\$306.24	*
Ohio	10.9	\$322.95	\$1,969,117,799
Oklahoma	6.6	\$297.14	*
Oregon	11.0	\$315.01	*
Pennsylvania	8.9	\$349.30	\$2,320,843,146
Rhode Island	12.9	\$377.30	\$158,971,517
South Carolina	12.6	\$251.17	\$775,822,413
South Dakota	4.7	\$249.20	\$13,708,888
Tennessee	10.9	\$226.94	*
Texas	8.3	\$325.67	\$1,684,543,010
Utah	6.7	\$321.65	*
Vermont	6.9	\$300.18	*
Virginia	6.9	\$314.67	\$217,056,000
Washington	9.5	\$423.36	*
West Virginia	9.1	\$280.57	*
Wisconsin	8.7	\$285.97	\$1,136,823,665
Wyoming	7.5	\$350.31	*

¹ Unemployment Rate, Seasonally Adjusted, December 2009 (U.S. Bureau of Labor Statistics).

² Average Weekly Benefit Amount—Benefits paid for total unemployment divided by weeks compensated for total unemployment (U.S. Department of Labor, Unemployment Insurance 3Q 2009 Data Summary).

³ Outstanding Loans from the Federal Unemployment Account as of 2/19/10 (U.S. Department of Labor, Employment and Training Administration).